

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 03656 071759Z

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----002914 071802Z /44

O 071650Z SEP 78  
FM AMEMBASSY BUDAPEST  
TO SECSTATE WASHDC IMMEDIATE 2422  
INFO AMEMBASSY MOSCOW  
AMEMBASSY BUCHAREST  
AMEMBASSY PRAGUE  
AMEMBASSY BELGRADE  
AMEMBASSY WARSAW

LIMITED OFFICIAL USE BUDAPEST 3656

EXDIS

E.O. 11652: N/A

TAGS: EAIR

SUBJECT: SUSPENSION OF PAN AM SERVICES

REF: STATE 226048

1. THE PAN AM DECISION TO SUSPEND AIR SERVICE TO  
BUDAPEST WILL UNDOUBTEDLY BE MOST DISAPPOINTING TO THE  
HUNGARIAN GOVERNMENT. COUPLED AS IT IS WITH SUSPENSION  
OF SERVICE TO MOSCOW AND SOME OTHER EAST EUROPEAN CAPITALS,  
IT WILL PROBABLY BE SUGGESTED THAT THIS STEP IS A  
REFLECTION OF U.S. DISINTEREST IN EASTERN EUROPE, MAYBE  
IS POLITICALLY MOTIVATED, AND THAT THE USG IS  
INVOLVED IN THE DECISION. MOREOVER IT COULDNT COME AT  
A WORSE TIME FROM THE POINT OF VIEW OF OUR BILATERAL  
RELATIONS. THE HUNGARIANS WILL NOT ONLY BE DISTRESSED  
BY IT, BUT WILL ALSO FIND IT INCOMPREHENSIBLE IN VIEW  
OF THE FACT THAT FOR MONTHS WE HAVE BEEN TALKING ABOUT OUR  
IMPROVED BILATERAL ATMOSPHERE, PARTICULARLY IN THE  
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ECONOMIC FIELD.

2. THE PAN AM REPRESENTATIVE IS THE ONLY U.S.  
BUSINESSMAN RESIDENT IN BUDAPEST. THE CLOSING OF THE  
BUDAPEST OFFICE, WHICH WE ASSUME WILL TAKE PLACE,  
IS AN UNWELCOME DIMUNITION IN THE U.S. COMMERCIAL  
PRESENCE IN BUDAPEST.

3. LOSS OF DIRECT U.S. AIR SERVICE BETWEEN BUDAPEST AND THE U.S. WILL HAVE AN ADVERSE EFFECT ON POST OPERATIONS. U.S. PERSONNEL WILL NOW HAVE TO TRANSIT A WEST EUROPEAN GATEWAY CITY, STAYING OVERNIGHT THERE. TRAVEL TIME AND PER DIEM COSTS WILL RISE ACCORDINGLY. THE IMPACT ON UNCLASSIFIED POUCH SERVICES WILL BE MINIMAL SINCE ALTERNATE ROUTINGS ARE POSSIBLE. USE OF FOREIGN FLAG AIRLINES WILL BE INEVITABLE, HOWEVER. CLASSIFIED POUCHES DO NOT PRESENTLY ARRIVE BY PAN AMERICAN AND WILL, THEREFORE, BE UNAFFECTED.

4. THE GROUND, AIRPORT, AND AIRCRAFT-RELATED SERVICES FOR TRANSIT USG AIRCRAFT ARE CURRENTLY HANDLED THROUGH PAN AMERICAN. IN FUTURE THE EMBASSY WILL HAVE TO DEAL DIRECTLY WITH HUNGARIAN AIRLINES "MALEV" AND/OR THE FERRI HEGY AIRPORT AUTHORITY. THIS WILL INTRODUCE COMPLICATIONS IN OBTAINING SUCH SERVICES AND THE BILLING FOR THESE, WHICH IN TURN WILL INCREASE THE WORKLOAD ON THE DAO. WE STRONGLY RECOMMEND THAT THE DEPARTMENT URGE PAN AM TO RECONSIDER ITS DECISION.

5. IF UNFORTUNATELY PAN AM STICKS WITH IT, WE SUGGEST THAT THE DEPARTMENT ISSUE A STATEMENT EXPRESSING REGRET OVER THE PAN AM DECISION IN ORDER TO FORESTALL COMMENT THAT IT IS POLITICALLY MOTIVATED. WE RECOMMEND THAT THE DEPARTMENT EMPHASIZE THAT LIMITED OFFICIAL USE

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THE DECISION WAS TAKEN ON ECONOMIC GROUNDS ONLY.  
KAISER

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NNN

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRLINES, AIR SCHEDULES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 sep 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BUDAPE03656  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION SS  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** EXDIS  
**Reference:** 78 STATE 226048  
**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1511420  
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**Status:** NATIVE  
**Subject:** SUSPENSION OF PAN AM SERVICES  
**TAGS:** EAIR, PANAM  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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